

THE SEWER BOARD OF THE CITY OF NEW ALBANY, INDIANA HELD A WORK SESSION AT THE NEW ALBANY SEWER PLANT SATURDAY, JUNE 16, 2007 AT 9:00 A.M.

PRESENT: Chairman Mayor James Garner, Vice Chairman Bill Utz, Kevin Zurschmiede, Todd Solomon and Larry Kochert.

OTHERS: Attorney Greg Fifer, Tim Crawford, Rob Sartell, Brian Dixon, EMC, Wes Christmas Clark Dietz, and City Clerk Marcey Wisman

CALL TO ORDER:

Mayor Garner called the session to order at 9:00 A.M.

Mayor Garner asked Mr. Utz to go over his recommendation for Revisions to the Cash Flow budget.

Mr. Utz reviewed his recommendation with the Board. Said memo is on file with the City Clerk's office. He asked if Ms. Haley could put a tap fee dollar amount on all of the unused credits and he stated that they are going to have to determine how they want to handle engineering fees for each project.

Mr. Solomon asked if Autumn View had presented them with their offer in writing.

Mayor Garner stated that he hadn't received anything in writing.

Mr. Utz asked how soon we could get started on some of these projects if they get a consensus.

Mr. Christmas reported that the force main and basin 4 relief sewer are ready immediately, and the pump station is just about ready as well.

Mr. Solomon asked if they had approval from IDEM on those projects.

Mr. Christmas said they have all been approved twice but he just wanted to make sure everything was in order.

Mayor Garner asked if he could get those three projects together and bring them to the July meeting.

Mr. Dixon stated that the Lewis Street project needs no permits because it is a maintenance project.

Mr. Fifer asked Mr. Christmas how far he is from knowing the cost of Basin 18.

Mr. Christmas stated that as soon as he gets the survey he will be able to calculate that.

Mr. Fifer stated that he is afraid that the cost of Basin 18 may cut into the Robert E. Lee and Lewis Street projects.

There was a lengthy discussion regarding up-coming projects such as Autumn View and the Purdue Project that will add tap-fee revenue to the budget and how it can help to pay for Basin 35 and Basin 18.

Mr. Utz stated on his list he backed the railroad into 2009, which he didn't feel real comfortable doing, but at this time they still do not know the full scope of the problem and these other project are ready to go.

Mr. Fifer discussed his position on the 15th Street and the railroad's impact on the right-of-way. He asked the board if he has their authorization to go back to Primavera, Winterheimer, Theinamen and Ruckman and state that they need adequate assurance that they are contributing a pot of \$600,000.00 of which \$250,000 is a gift from Theinamen/Ruckman and the rest goes towards tap fees. He stated that if they do that then he is assuming they will vote on Bill's plan as is and if not then they will bump #5 to 2009.

Mayor Garner asked if they still want to give the projects ranking numbers or do we want to just assign them a year to be done.

Mr. Solomon stated that he still likes the ranking system.

Mayor Garner said his only concern with that is people arguing over moving the projects up and down as new information about the projects is made available.

Mr. Fifer asked Mr. Christmas if he could establish milestone dates for when the city will need funds from the Developers from Basin 35 and then they can ask for a letter of credit from them to cover their obligations.

Mr. Christmas said that shouldn't be a problem.

MET Representative reviewed the Projected Cash Balances for the sewer utility with the board. Said report is on file with the city clerk's office.

Mr. Fifer told Mr. Christmas that it is going to be very important for him to come to the July meetings with a consolidated cash flow analysis for each project and they need to have updates every month after that. He stated that they seem to be on track with the projects that they have going now and what they need to take care of immediately as well as the future. He asked to review the 2007 projects again to make sure he has the cash inflow and outflow straight.

Mr. Utz discussed his calculations and how he came up with the numbers regarding cash inflow but that he didn't take into account what the bank account was so if they have money in that account that money should still be there.

There was some discussion regarding putting a time limit on credits issued to developers.

Mayor Garner asked if it was his understanding that they were going to put a time limit on credits, so that way the developers understand that if they don't build they are going to give them to someone that will, or they can prepay the tap fee. He stated that they can't keep giving out credits that aren't going to be used. He said they need to get with Ms. Haley to see how many credits are outstanding.

Mr. Fifer asked Mr. Utz if on the cash outflow he plugged-in what Melheiser & Tucker had originally.

Mr. Utz stated that he used what they had originally with the modification of salaries/wages, professional fees, and EMC contract operations. He explained that the cash inflow agrees with the newer additions because they have the \$1,000,000.00 jail bond, \$540,000.00 EDIT, and \$450,000.00 TIF.

Mr. Fifer stated that he would be in a position to go back and make the offer to the developers because he isn't sure they have 2008 basin 18 and basin 4 paid for yet. He explained that if they take Lewis Street out of 2007 they will be fairly close with the money they have on hand regarding capital dollars, but he isn't sure they have found the money for the 2008 project above and beyond the capital dollars.

Mr. Utz stated that this was all derived from the MET Report with adjustments.

Mr. Fifer asked if they could have Mark reconcile the two numbers before the next meeting before they finalize anything. He asked Mr. Dixon to take his documents and the two documents they are working from today to Mark and have him work the three together.

There was a lengthy discussion regarding the EMC Contract and the operational and substantive issues with the insurance coverage

Mr. Solomon stated that he wouldn't vote for anything that would allow 6 feet of grit to be in the system. He explained that this would be 33% of the volume and he would not be able to vote for something like that.

Mr. Dixon asked what number he would be comfortable with because they need a number to work from.

Mr. Sartell said that they would never expect that much grit and they have not seen that much in any tank in New Albany but they need to give them a number and they will work from there.

Mr. Fifer stated that he doesn't see this issue presenting a problem but Mr. Solomon's point is that if they are going to have a clause in the contract addressing it there needs to be a threshold.

Mr. Solomon stated that a foot is reasonable and Mr. Sartell agreed. He stated that they need to define grit to some extent in the contract.

Mr. Solomon stated that the original contract didn't have any language about lines over 24 inches and the new one does and he wanted to know what was going on with that.

Mr. Fifer stated that it is basically saying that it is basically saying is that they are going to use their in-house crew to do anything that is smaller than 24 inches and anything over is going to be contracted out to third parties.

Mr. Dixon explained that the EPA doesn't require those lines to be cleaned and televised at this time but if it is something they want done then it would be at the cost of the City.

Mr. Solomon said that the contract stated that they will clean 20% of the lines period and it doesn't specify a size, but it doesn't state anything about televising.

Mr. Sartell suggested that they could amend the wording to say that they contract out televising of 24 inch lines and larger.

Mr. Fifer suggested an additional table that spells out current prioritization of basin cleaning after the MOU work is completed.

Mayor Garner stated that once the MOU work is done they can drop back down to one crew.

Mr. Solomon raised some objection to section 4.2 paragraph 2 of the contract that talks about the City agreeing to pay EMC incentive compensation requirements set forth in the MOU.

Mr. Fifer said all they are intending from this paragraph is to state what the City needs to fix but that it is beyond their control whether or no the City had the money to do it or not.

He stated that if EMC is in material breach of the contract and causes an adverse affect on the City they would not get the money or the extension.

Mr. Fifer spoke to Mr. Dixon about getting together to go over all the aspects of the Consent Decree. He asked when they wanted to move forward with the contract, he stated that the purpose of the press release was to let the public know they have negotiated a contract that is beneficial to the City and if you have concerns please come and voice them.

Mayor Garner said that he doesn't see the changes being made and a public notice being sent out before the next council meeting.

Mr. Fifer said he can make the changes that are needed and they just need to decide if they want to vote on it soon or take some time to look it over. He stated that he doesn't want them to feel rushed so they need to decide on a time frame.

Mr. Dixon asked if there was anything else they wanted to add besides what they talked about today.

Mr. Fifer stated that they would get the changes into the document and get the final draft in their packets for the July 3, 2007 meeting.

Mr. Solomon asked if anything had been done to hire the utility manager.

Mayor Garner stated that it is hard for them to hire someone that could potentially get fired on January 1st.

Mr. Fifer said that they need to get the Council to make new appointments or re-appointments to the board as well.

There was some discussion about hiring the new utility manager as well as Mr. Solomon's replacement.

ADJOURNMENT:

There being no further business before the Sewer Board, the meeting adjourned at 11:47 a.m.

Respectfully submitted,

Mayor James Garner, Chairman

Marcey Wisman, City Clerk